VARIABLE TAX RATES:

A Guide to Implementation

Province of British Columbia
Ministry of Municipal Affairs

VARIABLE TAX RATES:
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1.0 USING THIS GUIDE

1.1 Purpose

This is a guide to the implementation of variable property tax rates in British Columbia municipalities. The variable tax rate system replaces the uniform tax rate system wherein municipalities, with a few exceptions, levied the same tax rate on all classes of real property. Under the variable tax rate system, municipalities are specifically authorized to levy different tax rates on all or some of the eight classes of real property taxable by municipalities. Definitions of each property class appear in this guide as appendix two. Note that the rules and procedures for school and hospital taxation, as well as for other taxes levied using the school or hospital bases, are **not changed** from 1982.

This guide has been written in order to facilitate transition from the old to the new tax systems. The guide therefore goes beyond a mere summary of key features of the variable tax rate system: it describes and recommends a full set of analytical and implementation procedures. In particular, the guide explains how to choose tax rates which will maintain a fair, stable and predictable distribution of municipal taxes in each municipality.

1.2 Principles

The variable tax rate system represents a significant change in the way in which municipalities levy taxes. Gone is the concept of assessment options, the procedures by which the actual value of real property was translated into taxable assessed value. From now on, assessment for general

municipal purposes will, for every municipality, be equal to the actual value of real property less exemptions. This is equivalent to what formerly was known as the option "D" tax base. Gone too is the notion that municipal tax rates must be uniform across each of the eight property classes taxable by municipalities. For 1983, municipalities are given almost complete autonomy to set different tax rates for each property class.

The variable tax rate system will change the current municipal tax system in the following ways:

- properties will continue to be assessed at actual or market value by the Assessment Authority;
- no municipal assessment options will exist;
- the municipal general purpose tax base will be the actual value of property less exemptions;
- municipalities will set individual tax rates for each of the eight classes of property taxable for general municipal purposes;
- tax rate limits applying to municipal levies on the general municipal base, whether derived from the Municipal Act or letters patent, are abolished; and
- tax rates will no longer be expressed as a mill rate but as dollars of tax per thousand dollars of actual value (a mill rate of 10 is equivalent to a tax rate of $10 per thousand).

The significance of these changes for municipalities lies in the introduction of a new decision. Councils will have to decide not only how much money they wish to raise in a given year from property taxation. In addition to this basic budgetary decision, councils will now have to make a key tax distribution decision. Tax distribution is the manner in which the overall municipal tax burden is to be distributed among the various property classes. Councils will have almost complete autonomy in making this decision, subject only to certain minor limitations and constraints discussed in the succeeding chapter.

1.3 Procedural Review

Figure one is an overview of the procedures involved in setting variable tax rates and serves to illustrate the structure of chapters 2.0 and 3.0, the main part of this guide. The procedures involved in selecting tax rates for general municipal purposes are detailed in chapter 2.0. This is the most crucial chapter of this guide and should be read by all. Chapter 3.0 details the procedures for fixing tax rates for all other levies on the general purposes tax base.

Only taxes which are levied on the tax base for general municipal purposes will utilize the variable tax rate system. Rules and procedures for school and hospital taxation, as well as for any other levies using the school or hospital tax bases, are not being changed for 1983. Chapter 4.0 addresses this matter.

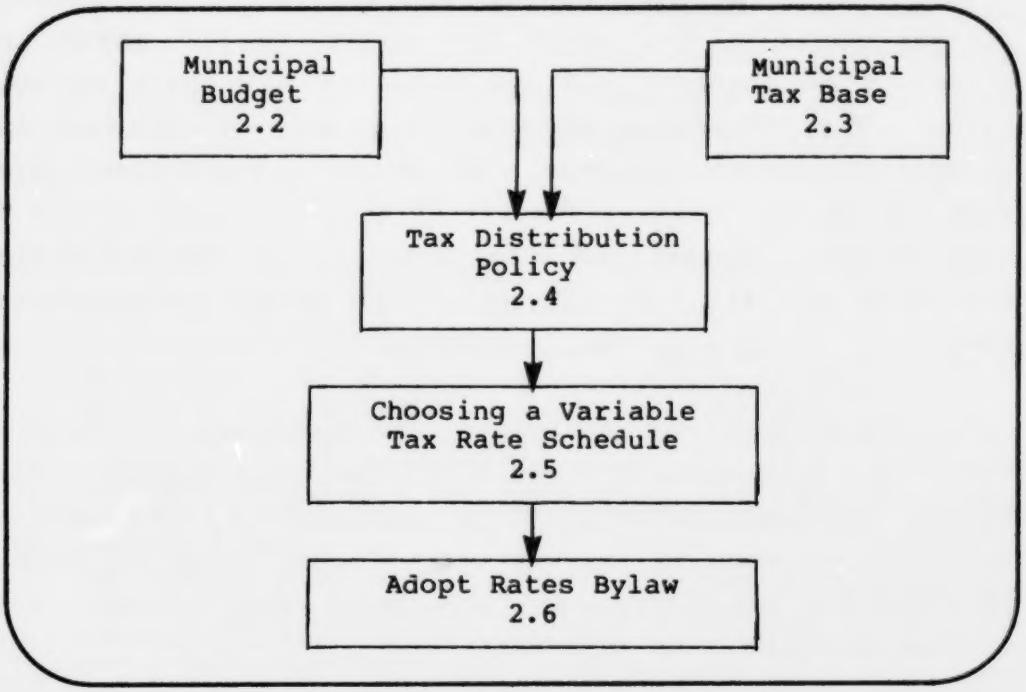
One consequence of abolishing the concept of assessment options is that regional district cost apportionment procedures in some regional districts will be affected. This matter is addressed in chapter 5.0.

The variable tax rate procedures described in this guide all take place in the context of a municipal calendar. The Municipal Act specifies a number of requirements for the timing of provisional and final budgets, the fixing of tax rates, the issuance of tax notices and the deadlines for tax payments. Figure two summarizes these requirements. The calculation of variable tax rates by municipalities must take place during the period between the receipt of a copy of the authenticated assessment roll and the adoption of the

Figure One: Procedural Overview

CHAPTER 2.0:

MUNICIPAL GENERAL TAXATION



CHAPTER 3.0:

OTHER MUNICIPAL TAXATION

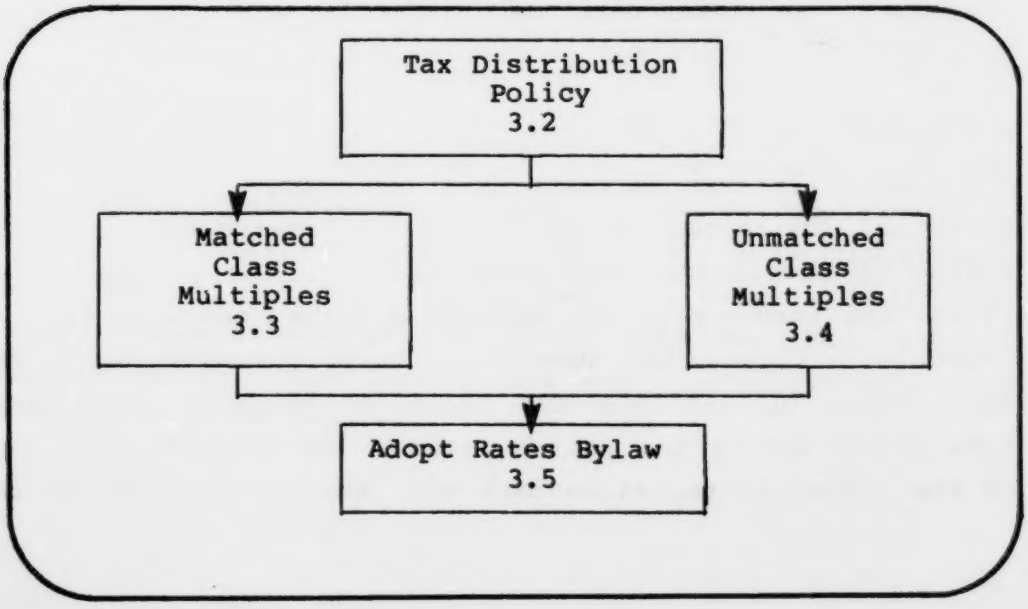


Figure Two: Timetable for Municipal Budgeting, Rate Setting and Taxation*

BUDGETS

Item	Date	Statutory Reference
• provisional budget preparation	• on or before Nov. 30 of the preceeding year	• Municipal Act s 263(1)
• provisional budget adoption	• not later than 3rd Monday after first day of January	• Municipal Act s 263(2)
• annual budget preparation	• on or before April 15	• Municipal Act s 264
• annual budget adoption	• on or before May 15	• Muncipal Act s 264

ASSESSMENT AND TAXATION

Item	Date	Statutory Reference
• assessment roll complete and sent	• December 31	• Assessment Act s 2, s 6
• authenticated assessment roll complete	• February 28	• Assessment Act s 44(11)
• municipal rates bylaw adopted	• May 15	• Municipal Act s 273
• tax notices sent	• approx. June	• Municipal Act s 431
• penalty date(s)	• July 2 or later	• Municipal Act

* This figure does not reflect certain changes to statutory dates introduced by the new property tax legislation.

annual rates bylaw. Note that the new property tax legislation will advance the date for completion of the authenticated assessment roll for the 1984 tax year.

2.0 MUNICIPAL GENERAL TAXATION USING THE MUNICIPAL BASE

2.1 The Concept of the Variable Tax Rate

This chapter applies to the municipal general purposes taxation as provided for by the Municipal Act section 273(a). For procedures concerning other municipal levies -- municipal debt, municipal specified areas and so forth -- consult the succeeding chapter. For the purposes of general municipal taxation, municipal officials will be required to fix appropriate tax rates given: a) a specific amount to be raised from taxation; b) a municipal tax base as determined by the Assessment Authority; and c) some municipally-determined tax distribution policy.

The sections which follow describe in some detail both the mechanics of the variable tax rate and the policy issues surrounding the tax distribution decision. Before proceeding, it is useful to provide a capsule summary of variable tax rates. In its simplest terms, the advent of variable tax rates enables municipal officials to establish revenue targets for each property class in the municipality and set a tax rate to yield the desired revenues. In its most basic form, the result can be depicted as in the following hypothetical example:

Property Class	Net Actual Value($)	Revenue Target($)	Property Tax Rate ($ per thousand)
1. residential	5 000 000	22 500	4.50
2. utility	1 000 000	15 700	15.70
3. forestry	0	0	10.00
5. industrial	1 500 000	30 000	20.00
6. business	2 000 000	30 000	15.00
7. tree farm	500	5 000	10.00
8. seasonal	150	675	4.50
9. farm	300	1 350	4.50

Municipal officials will have almost complete autonomy to establish revenue targets and set tax rates, subject only to certain minor limitations and constraints to be discussed presently.

2.2 Municipal Budget

This guide will help to reconcile the revenue requirements of the municipal budget with a new method of distributing the tax burden. This is not a guide to establishing a municipal budget. It is assumed that the amount to be raised by property taxation has been agreed upon. It is also assumed that the municipality has developed a budget considering, among other factors, previous years' expenditures, new budgetary requirements and priorities, inflation and the sundry requirements of the Municipal Act and the Municipal Expenditure Restraint Act. Furthermore, it is assumed that the municipality has considered the various options for obtaining needed revenues, including anticipated grants, user charges, fees and licences as well as property taxes.

2.3 Municipal Tax Base

The tax base for general municipal purposes will be based on a copy of the authenticated assessment roll provided by the Assessment Authority. For 1983, the municipal general purposes tax base will be equivalent to what formerly was known as option "D": actual value less exemptions. Municipal officials must have available a listing of taxable, actual value assessments for eight of the nine property classes established under the Assessment Act, the one exception being class 4 machinery which is not taxable for municipal purposes. To facilitate implementation of a

variable tax rate system, appendix one to this guide conveys a document from the Assessment Authority describing technical changes in the tax base information transmitted to municipalities. Appendix two gives the statutory definitions of each property class.

2.4 Tax Distribution Policy

The key difference between the old system of uniform tax rates and the new system of variable tax rates is the introduction of a new decision. Whereas previously municipalities needed to be concerned only with the overall budget and the overall tax rate, now they must also be concerned with the distribution of taxes between various property classes. The variable tax rate obliges municipalities to make a tax distribution decision. In effect, they must determine the proportion of taxes to be contributed by each property class. Tax distribution is primarily a policy, not a technical, decision. The subsequent section examines the nature of this policy decision.

The new property tax legislation authorizes setting different property tax rates for each of the eight property classes taxable for general municipal purposes. In general the same property tax rate must apply to every parcel lying within a defined property class. The only exceptions to this rule concern municipalities whose letters patent provide for different general purpose tax rates to be levied in different sectors or geographic areas of the municipality. The new property tax legislation will provide for a continuation of this practice wherever it occurs. Affected municipalities should recognize that their letters patent, to some extent, act as a constraint on selecting a tax distribution policy.

2.5 Choosing a Variable Tax Rate Schedule

2.5.1 Tax Policy Objectives

The variable tax rate system requires that municipalities select tax policy objectives. More specifically, municipalities must consider how they wish the overall municipal property tax burden to be distributed among property classes. A new decision-making opportunity is provided to municipal officials, and it is important that the nature and implications of their tax policy decisions be understood clearly.

As a first step, municipalities need to select tax policy objectives. Two possible objectives are the following:

- **stability:** a municipality may wish to achieve stability of local taxes from year to year. Stability can be defined in a number of ways. For example, it can be expressed as the stability of the effective tax rate on each property class. Alternatively, it can mean the share of the tax burden borne by each property class. Stability will be of particular concern in jurisdictions where the assessed values of the various property classes are changing at different rates.
- **equity:** a municipality may wish to provide tax relief for particular sectors for equity or fairness reasons. For example, it may be desirable that property taxes be shifted from property classes which are experiencing economic problems or are bearing a disproportionate share of the tax burden.

Stability and equity are two of a number of possible objectives. Other equally viable objectives or combination of objectives presumably exist. The key observation is that municipal officials must adopt **some** tax policy objective, whether it be stability, equity or something else.

In order to analyse the implications of a particular policy objective it is necessary to have a starting point. It is

important to be able to compare the implications of this year's tax distribution policy with the situation prevailing in previous years. A minimum of four benchmarks for evaluation are recommended. These are:

- the municipal tax base by property class;
- the effective tax rate by property class;
- the dollar amount of property tax paid by each class; and
- the percentage share of total tax revenues borne by each property class.

The usefulness and the problems associated with each of these benchmarks is discussed in the following section.

2.5.2 Benchmarks for Evaluation

The use of benchmarks requires that municipalities undertake historical analysis of budgets, tax bases, tax shares and tax rates. The historical analysis can focus on the last fiscal year, a series of years or some base year not necessarily the last. The choice as to which year is to be the base is a local one. The discussion below looks at the four recommended benchmarks focusing on the rationale for each and associated technical problems.

Tax base. The municipal tax base is constantly changing. Municipal officials will want to be able to compare the 1983 tax base by property class with corresponding figures from one or more previous years. Year-to-year changes in the tax base can be the result of two factors. First, assessments in the various property classes will change as a consequence of upward or downward market price fluctuations. Second, assessments will change due to additions to the roll resulting from new construction.

In order to facilitate year-to-year tax base comparisons, municipalities may wish to assess the implications of new

construction appearing on the 1983 roll. To facilitate this, the Ministry of Municipal Affairs will provide municipalities with an analysis of new construction for the 1982 to 1983 period. This analysis will be especially useful where municipal officials wish to eliminate the effects of market price volatility while allowing some change in tax shares to reflect stock changes. Since this analysis will be based on estimates of new construction, municipal officials may wish to discuss the data to be supplied with the local office of the Assessment Authority. In addition municipalities may wish to compare these provincial estimates with their own internal information derived from building permits and subdivision activity.

It should be emphasized that tax base comparisons must now always be done on the basis of **net actual value** rather than net assessed value. In 1983 all tax rates levied on the general municipal base will be levied on net actual value. In prior years, however, this may not have been the case. Year-to-year tax base comparisons will therefore be valid if and only if net actual values from prior years are compared with 1983 net actual values.

Unfortunately, net actual values from prior years cannot be read directly from the summary actual value roll totals provided by the Assessment Authority. This is because the summary actual value roll totals are presented gross of exemptions. Exemptions are only reported on the assessed value roll totals. Therefore, prior year net actual values for each property class must be computed. Two calculations are required:

- first, using the table of assessed value roll totals, for each property class, find the net assessed value by

adding together the values for land and improvements and subtracting reported exemptions;

- second, for each property class, divide net assessed value by the "class percentage" (the percentage formerly used to translate actual value to assessed value) for that class. The class percentages for each property class are reported in a summary table at the end of each assessment roll.

The result of the second calculation is the net actual value for each property class. These are the values to be used for comparison with net 1983 values.

Effective tax rates. Municipal officials will want to compare their proposed 1983 tax rates with prior year tax rates. In prior years, except for option "D" municipalities, tax rates were not levied on full market value. In contrast the variable tax rate system requires that the tax rate be levied on the actual or full market value of property. Consequently, tax rate comparisons between 1983 and all previous years will require the conversion of prior year "nominal tax rates" for each property class into "effective tax rates" for each property class.

For clarity, here are some definitions. By "nominal tax rate" is meant simply the tax rate specified in the rates bylaw for all years prior to 1983. Nominal tax rate is the tax rate expressed in terms of net assessed value. By "effective tax rate" is meant the tax rate expressed in terms of net actual value rather than assessed value. Converting from nominal to effective tax rates is accomplished by a simple operation: multiplying the "class percentage" (the percentage formerly used to translate actual value to assessed value) for each property class by the tax rate actually levied. Figure 3 illustrates this procedure.

Figure Three. Calculation of Effective Tax Rates

OBJECTIVE: The objective is to illustrate how a municipality can change prior year "nominal tax rate" into the "effective tax rate" equivalent.

CALCULATION: The following equation is used to calculate the effective tax rate:

Effective Tax Rate = Class Percentage x Nominal Tax Rate

For example, if a municipality were on option "B", residential development would be assessed at 10% of net actual value. If the nominal tax rate were 40 mills ($40 per thousand of assessed value) then the effective tax rate for residential properties would be as follows:

effective tax rate = 10% x 40 = $4/1000

ILLUSTRATION: The effective tax rates for each property class for a typical municipality are illustrated in the following table.

A nominal tax rate of 40 mills and the assessment option "B" class percentages were used in the calculation. Class percentages for each municipality are reported in a summary table at the end of each assessment roll.

Property Class	Class Percentage	Nominal Tax Rate (Mills)	Effective Tax Rate ($/1000)
1. Residential	10%	40	4
2. Utility	35%	40	14
3. Forestry	40%	40	16
5. Industrial	34%	40	13.6
6. Business	24.5%	40	9.8
7. Tree Farm	80%	40	32
8. Seasonal, Recreation, Resort	10%	40	4
9. Farm	10%	40	4

Absolute tax share. Municipal officials will want to compare the actual amount of taxes proposed to be collected from each property class in 1983 with amounts collected in previous years. Some municipalities may not have an estimate of the previous years' tax revenue from each of the eight property classes. If this is the case, simply take the **effective tax rate** applied in a previous year and multiply this by the total net **actual value** calculated for each property class.

Percentage tax share. Municipal officials may wish to compare the relative or percentage share of taxes contributed by each property class. It is important to differentiate absolute and relative share because a particular tax distribution policy objective may have different effects on each. The absolute taxes paid by a particular class may increase but the percentage may fall.

2.5.3 Tax Rate Limitations

The new property tax legislation will abolish the current tax rate limitations of the Municipal Act section 274. However, the legislation will provide for the possibility of new property tax rate limits appropriate to the new system. In addition, where the letters patent of particular municipalities specify limits to tax rates applied against the general municipal base, the new property tax legislation will suspend these limits but enable their recalculation and restoration by order of the Province. Finally, in a related issue, the letters patent of some municipalities create inter-municipal tax sharing arrangements under which shares are expressed in property tax rates. The new property tax legislation will suspend these and enable the substitution of equivalents.

Special tax rate ceilings for forest land, tree farm land and timber land, as presently provided under section 406 of the Municipal Act, are continued. The maximum tax rates for these properties will be as follows:

- $10 per $1000 of taxable assessment (forest land and tree farm land);
- and $15 per $1000 (timber land).

It should be noted that Councils now have the discretion to set rates for these classes at any level up to the limit. Formerly the rates, as set out in section 406, were the rates to be levied.

2.5.4 Illustration

This section illustrates the discussion in subsections 2.5.2 and 2.5.3 with a numerical example. It demonstrates how, in a hypothetical municipality, historical benchmarks may be used as an aid to choosing a preferred variable tax rate schedule.

Previous year data. Tax data from 1982 for this hypothetical municipality are shown in figure four. The calculated net actual value of real property in 1982 is given as $12.4 million. Note that net actual value rather than net assessed value must be used for comparative purposes. The amount raised by taxation in 1982 was $96 200, distributed among the eight property classes as shown. This amount was actually raised by applying a nominal tax rate of 40.00 mills on the option "B" base. The nominal rate, however, is equivalent to the effective rates shown when levied on actual values. The conversion of nominal to effective tax rate uses the 1982 class percentages listed. It can easily be confirmed that 40.00 mills levied on the option "B" base yields the same $96 200 as the listed effective tax rates levied on actual value.

Current year data. Assume that the net 1983 tax base is as shown in figure five. Inspection reveals that the tax base has declined overall some 2.8% but different property classes show different trends. Assume further that municipal officials have agreed upon a 3% budget increase in 1983, increasing the amount to be raised by taxation to $99 000. Notice that the object of this illustration is to fill in the vacant (shaded and numbered) columns in figure five. Municipal officials have full discretion in this task, subject only to minor limitations and constraints discussed earlier in this guide.

Tax distribution policy. Say that this hypothetical municipality is considering two possible tax distribution policies for 1983. One policy is to achieve year-to-year stability defined in terms of the percentage share of property taxes collected from each property class. In other words, the focus would be the column numbered 2 in figure five. The alternative under consideration is once again to achieve stability, this time defined in terms of relative tax rates levied on each property class. This would shift the focus to the column numbered 3. (Several other tax distribution policies are conceivable, of course; these two are offered for illustrative purposes only.)

Evaluation of tax distribution. The effects of the two alternative tax distribution policies are contrasted in figures six and seven. The focus of figure six is percentage tax share. It shows how year-to-year stability can be achieved in that respect. Notice that percentage shares are exactly constant between years. The variable tax rates that would result are shown. Figure seven focuses on relative effective tax rate and achieves stability defined in that fashion.

Figure Four. Illustration: Previous Year's Data (1982)

Property Class	Net Actual Value ($000)	Absolute Tax Share ($)	Percent Tax Share ($)	Tax Rate ($ per thousand)		
				Nominal	Class $	Effective
1. Residential	6 000	24 000	24.9	40	10	4.00
2. Utilities	1 000	14 000	14.6	40	35	14.00
3. Forestry	0	0	0	10	40	4.00
5. Industrial	2 000	27 200	28.3	40	34	13.60
6. Business	3 000	29 400	30.6	40	24.5	9.80
7. Tree Farm	0	0	0	10	80	8.00
8. Seasonal	200	800	0.8	40	10	4.00
9. Farm	200	800	0.8	40	10	4.00
TOTAL	12 400	96 200	100.0	--	----	-----

Notes:

1. Tax rates are expressed in dollars of tax per thousand dollars of taxable value. A tax rate of $40 per thousand is equivalent to what formerly was known as 40 mills.
2. Tax rates for class 3 forestry and class 7 tree farm are set at 10 mills in accordance with Municipal Act section 406.

Figure Five. Illustration: Current Year Data in Comparison to Previous Year Data

Property Class	Net Actual Value ($000)		Absolute Tax Share ($)		Percent Tax Share ($)		Effective Tax Rate ($ per thousand)	
	1982	1983	1982	1983	1982	1983	1982	1983
1. Residential	6 000	5 500	24 000		24.9		4.00	
2. Utilities	1 000	1 100	14 000		14.6		14.00	
3. Forestry	0	0	0		0		4.00	
5. Industrial	2 000	2 150	27 200	1	28.3	2	13.60	3
6. Business	3 000	2 900	29 400		30.6		9.80	
7. Tree Farm	0	0	0		0		8.00	
8. Seasonal	200	195	800		0.8		4.00	
9. Farm	200	205	800		0.8		4.00	
TOTAL	12 400	12 050	96 200	99 000	100.0	100.0	------	------

Notes:

1. Tax rates are expressed in dollars of tax per thousand dollars of taxable value. A tax rate of $40 per thousand is equivalent to what formerly was known as 40 mills.
2. Tax rates for class 3 forestry and class 7 tree farm are set at 10 mills in accordance with Municipal Act section 406.

Figure Six. Illustration: Effects of Stable Percentage Tax Share Objective

Policy Objective: stable percentage tax share	A		B		C		D	
	Net Actual Value ($000)		Absolute Tax Share ($)		Percent Tax Share ($)		Effective Tax Rate ($ per thousand)	
	1982	1983	1982	1983	1982	1983	1982	1983
1. Residential	6 000	5 500	24 000	24 651	24.9	[redacted]	4.00	4.48
2. Utilities	1 000	1 100	14 000	14 454	14.6		14.00	13.14
3. Forestry	0	0	0	0	0.0		4.00	10.00
5. Industrial	2 000	2 150	27 200	28 017	28.3		13.60	13.03
6. Business	3 000	2 900	29 400	30 294	30.6		9.80	10.45
7. Tree Farm	0	0	0	0	0.0		8.00	10.00
8. Seasonal	200	195	800	792	0.8		4.00	4.06
9. Farm	200	205	800	792	0.8		4.00	3.86
TOTAL	12 400	12 050	96 200	99 000	100.0	100.0	------	------

Notes:

The calculations for arriving at the variable tax rates in figure six are as follows:

1. The objective is to achieve a stable distribution of taxes, defined in terms of percentage share of taxes collected from each property class. Hence the percentage tax shares for 1983 are the same as for 1982 and should be entered in column "C".
2. The revenue target for 1983 -- $99 000 -- should be apportioned to each of the eight property classes according to the percentages in column "C" and entered in Column "B".
3. The 1983 tax rate for each property class can be calculated by dividing the 1983 absolute tax share for each class by 1983 net actual values expressed in thousands. For example, divide 24 651 by 5 500 to obtain the residential tax rate of $4.48.
4. Vacant classes 3 and 7 are assigned tax rates of $10.00 in accordance with Municipal Act section 406.

Figure Seven. Illustration: Effects of Stable Relative Effective Tax Rates Objective

Policy Objective: stable effective tax rates	A		B		C		D	
	Net Actual Value ($000)		Absolute Tax Share ($)		Percent Tax Share ($)		Effective Tax Rate ($ per thousand)	
	1982	1983	1982	1983	1982	1983	1982	1983
1. Residential	6 000	5 500	24 000	22 550	24.9	22.8	4.00	[redacted]
2. Utilities	1 000	1 100	14 000	15 785	14.6	15.9	14.00	
3. Forestry	0	0	0	0	0.0	0.0	4.00	
5. Industrial	2 000	2 150	27 200	29 949	28.3	30.3	13.60	
6. Business	3 000	2 900	29 400	29 116	30.6	29.4	9.80	
7. Tree Farm	0	0	0	0	0.0	0.0	8.00	
8. Seasonal	200	195	800	800	0.8	0.8	4.00	
9. Farm	200	205	800	840	0.8	0.8	4.00	
TOTAL	12 400	12 050	96 200	99 000*	100.0	100.0	------	------

* Note: total is rounded.

Notes:

1. To calculate 1983 tax rates which maintain year-to-year stability defined in terms of relative effective tax rates, it is necessary to calculate 1982 "class multiples". Class multiples for 1982 are defined as the general municipal tax rate for each property class expressed as a multiple of the class 1 residential tax rate.
2. Once 1982 class multiples for each property class have been computed, it is possible to calculate the tax rates shown in column "D". See the 5-step procedure given in section 3.3 and figure eight of this guide for detailed procedures.
3. The tax rates computed for vacant classes 3 and 7 meet the requirements of Municipal Act section 406 as will be amended by the new property tax legislation.

Notice these significant differences in the implications of the alternative tax distribution policies. In figure six stability is achieved with respect to tax shares but not with respect to tax rates; in figure seven the reverse is true. In figure six some tax rates rise and others fall; in figure seven tax shares rise or fall but the tax rate increase is equal for all property classes. In figure six the relative tax rates between classes are different in 1983 compared to 1982; in figure seven relative tax rates remain constant. Clearly different tax distribution policies can produce markedly different variable tax rate schedules.

Choosing a variable rate schedule. Having calculated the effects of alternative tax distribution policies, municipal officials finally must choose a preferred variable tax rate schedule. This is an extremely important policy question for which, like most policy questions, there is no right or wrong answer. Implications must be weighed and a choice made. Always municipal officials should bear in mind the merits of equity and stability in making this choice.

2.6 Adopting a Rates Bylaw

After completing the analysis outlined in section 2.5, municipal officials can proceed in a fairly conventional fashion to adopt a rates bylaw under the Municipal Act section 273 (the contents of which, however, will be affected by the new property tax legislation). For 1983, all tax rates must be expressed in terms of dollars of tax per thousand dollars of taxable value. A sample rates bylaw appears as appendix three to this guide.

Municipalities are urged to adopt a tax rate for each class of property, even if no folios exist in a given property

class (choose a tax rate for a vacant class that falls somewhere in the spectrum of tax rates for occupied property classes). This will ensure continued validity of the rates bylaw in the event a supplementary assesment or an appeal adds a new property class to the tax base.

The variable tax rate system authorizes different tax rates for different classes of property. Within a particular property class, however, it is mandatory, with only a few exceptions, that any tax levied be uniform across all properties within a class. The only exceptions to this rule occur when letters patent specifically authorize affixing different tax rates within different sectors or a geographical areas of a municipality. In this case, property classes may be stratified into two or more parts, each part with a different tax rate (see section 2.4 above).

3.0 OTHER MUNICIPAL TAXATION USING THE MUNICIPAL BASE

3.1 Introduction

This chapter applies to all municipal taxes levied as provided by the Municipal Act section 275(1) except the municipal general levy. (For procedures concerning the municipal general levy, consult the preceding chapter.) Specifically, this chapter applies to the calculation of tax rates for:

- municipal debt;
- municipal specified areas;
- regional district requisitions, but only when the functions in question are financed on the general base;
- transit if financed on the general base; and
- improvement district requisitions if financed on the general base.

For these purposes municipal officials will be required to fix appropriate tax rates given: a) a specific amount to be raised from taxation; b) a tax base which may or may not be identical to the general municipal tax base; and c) some municipally-determined tax distribution policy.

3.2 Tax Distribution Policy

As for municipal general taxation, some tax distribution policy must be adopted for the purposes enumerated in section 3.1. Many municipalities will elect, properly, for consistency, comprehensibility and predictability reasons, to match the distribution pattern of the general municipal levy. For these municipalities the discussion following in section 3.3 is pertinent. Some municipalities, however, may have a unique situation which dictates choosing a distribution policy which is different. In the event there

is a sound reason for not matching the general municipal distribution pattern, section 3.4 following is pertinent.

3.3 Tax Distribution: Matched Class Multiples

Once tax rates for different property classes are selected for general purposes, most municipalities will properly elect to apply the same tax distribution pattern for some or all of the purposes enumerated in section 3.1. This can most easily be accomplished through using the concept of the "class multiple".

The "class multiples" for municipal general taxation are defined as the general municipal tax rate for each property class expressed as a multiple of the **class 1 residential** tax rate. If the residential tax rate is 5.00 and the industrial tax rate is 15.00, then the industrial class multiple is 3.00; alternately, if the residential tax rate is 5.00 and the farm tax rate is 4.00, then the farm class multiple is 0.80. In a similar fashion, class multiples for all property classes can be computed simply once the general municipal tax rate schedule has been adopted. The residential class multiple, of course, will always be 1.00.

Once class multiples are computed, municipal officials may proceed to calculate tax rates for each property class. There are several steps involved. The following 5-step procedure shows exactly how to make the calculation (these procedures are illustrated in figure 8).

STEP 1: for each property class, multiply the taxable assessment ($'000) by the class multiple used for municipal general taxation. Retain the products of these eight calculations for step 2.

Figure Eight. Illustration: Tax Rate Calculation Using Matched Class Multiples

Assumptions: In this example, a tax rate schedule for debt purposes in a hypothetical municipality will be calculated. Assume $20 000 is the amount to be raised. Assumptions concerning assessment and class multiples appear in step 1.

Step 1

Class	Given Assessment ($'000)	Given Class Multiples	Product of Assessment x Multiple
1. Residential	6 000	1.0	6 000
2. Utilities	500	3.0	1 500
3. Forestry	0	3.2	0
5. Industrial	1 000	2.8	2 800
6. Business	2 000	2.0	4 000
7. Tree farm	0	5.0	0
8. Seasonal	300	1.0	300
9. Farm	200	1.0	200

Step 2

Sum of final column of step 1 . . . . . 14 800

Step 3

Divide revenue required ($20 000) by sum calculated in step 1 (14 800); the quotient is the residential tax rate . . . . . $1.35 per thousand

Step 4

Class	Given Class Multiples	Tax Rate Schedule ($ per thousand)
1. Residential	1.0	1.35
2. Utilities	3.0	4.05
3. Forestry	3.2	4.32
5. Industrial	2.8	3.78
6. Business	2.0	2.70
7. Tree farm	5.0	6.76
8. Seasonal	1.0	1.35
9. Farm	1.0	1.35

Step 5

Revenue yield of tax rate = revenue required $20 000

STEP 2: add the eight products calculated in step 1. Retain the sum of this calculation for step 3.

STEP 3: divide the revenue required for the enumerated purpose by the sum calculated in step 2. The quotient is the tax rate to be levied for class 1 residential property.

STEP 4: for nonresidential property classes 2 through 9, multiply the residential tax rate by the class multiples for the respective property classes. The products of these seven calculations are the tax rates to be levied for property classes 2 through 9.

STEP 5: the accuracy of calculations in steps 1 through 4 can easily be verified by calculating the revenue yield of the various tax rates. The sum of revenues from each property class should equal the revenue required.

Using these procedures, a tax rate schedule for the purposes enumerated in section 3.1 may be calculated.

3.4 Tax Distribution: Unmatched Class Multiples

Some municipalities may wish to adopt a tax distribution which diverges from the pattern used for general municipal purposes. A divergent distribution policy should only be selected where there is a sound reason for doing so. In this case an alternative tax distribution policy must be adopted. Then, procedures much like those outlined in chapter 2.0 should be followed in order to calculate a tax rate schedule.

3.5 Adopting a Rates Bylaw

Using the procedure outlined in section 3.3 or in some cases section 3.4, a tax rate schedule for each of the purposes enumerated in this chapter can be determined. Municipal officials may then proceed in a fairly conventional fashion to adopt a rates bylaw under the Municipal Act section 273. Consult section 2.6 for further advice on rates bylaw adoption procedures.

4.0 OTHER TAXATION USING HOSPITAL AND SCHOOL BASES

The variable property tax rate is to be used only where property taxes are levied on the general municipal assessment base. In this case, the use of the variable tax rate system is mandatory. In all cases where local taxes are levied on the hospital or school bases, the existing uniform tax rate system continues unchanged. To be more specific, local levies for:

- transit purposes if not financed on the general base,
- regional district and improvement district requisitions under s 275(2), s 275(3) or s 792(1),
- regional hospital district requisitions,
- Assessement Authority of B.C. and Municipal Finance Authority purposes,
- school purposes, and
- any other purpose financed on the hospital or school assessment base,

will continue to use the existing uniform tax rate system. For these elements of the property tax system, class percentages will continue to be issued by the provincial government, and both hospital and school actual values will be converted to assessed value using these percentages. Unlike the municipal tax system, actual and assessed values will not be equivalent and all tax rates fixed using the hospital or school bases must be equal across all property classes.

5.0 REGIONAL DISTRICT APPORTIONMENT

Except as otherwise specified in the letters patent, the annual cost attributable to each function of a regional district shall be apportioned among the member municipalities on the basis of the net taxable value of land and improvements for regional hospital district tax purposes. Where, in a regional district, the letters patent **do not** provide for an exception to this rule, there will be no change in cost apportionment procedures for 1983.

In regional districts where the letters patent provide for cost apportionment fully or partly on the basis of the net taxable value of land and/or improvements for general municipal tax purposes, certain changes in cost apportionment procedures must be introduced. Where cost apportionment is based fully or partly on general municipal values, the apportionment calculation for 1983 will be based, not on actual general municipal values, but on estimated option "A" values provided by the Assessment Authority. This will ensure that signficant, unintended shifts in cost apportionment do not occur.

Appendix One: Assessment Authority Circular Concerning Transmittal of Assessed Value Data

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Head Office: TECHNICAL SERVICES
1537 Hillside Avenue
Victoria, British Columbia V8T 4Y2

Telephone (604) 595-6211

March 25, 1983

To: All Municipalities

Re: Transmittal of Assessed Value Data for Variable Tax Rate Purposes
(1983 Authenticated Assessment Roll)

All municipalities will be supplied with 1983 Authenticated Assessment Roll information during the month of April. With the introduction of variable tax rates for general municipal purposes in 1983 it will be necessary to produce a uniform tax base for general purposes (at actual value) from the 1983 Authenticated Assessment Roll. The purpose of this letter is to explain the way in which this will be accomplished.

The basic requirement is to identify the Order-in-Council classification for all general municipal purpose assessed values which are synonymous with actual values.

When producing the 1983 copy Authenticated Rolls on microfiche, this will be achieved by recomputing the rolls for all municipal jurisdictions as if they had selected Option "D" as per Section 26 (19) of the Assessment Act. In this manner assessed values for general municipal purposes will be calculated and reported at 100% of actual value less any applicable exemptions.

As part of the re-calculation process, in the case of properties classified as "Farm", we were instructed to increase the farm improvement exemption for general municipal purposes from $5,000 assessed value to its actual value equivalent of $50,000. Also, any increases in farm land actual values have been "phased-in" in the manner described in Section 28 (7) of the Assessment Act.

For those Municipalities using automated tax billing systems which require the assessment roll data on magnetic tapes, new records containing assessed values stratified by Order-in-Council classification will be reported on those tapes. These records are explained in detail in the attached addendum to our "Data Advice" booklet.

For Municipalities which process their tax billing manually it will be necessary for them to derive the required information from a paper copy of the Authenticated Assessment Roll to be provided. Classification of all properties will be determined by referring to the class associated with the actual value reported. In the case of "mixed-class" folios there will be a requirement to breakdown the assessed value by class. This procedure and other related calculations are explained in the attached "Manual Tax Billing" instruction guide.

. . . . /2

This guide should be reviewed and retained by all municipalities for use in connection with all 1983 Supplementary Assessment Rolls for which the order-in-council classification of the general assessed values will have to be determined in this manner.

All taxing jurisdictions will have received the 1983 Court of Revision Decision Rolls on paper during the month of March. These Decision Rolls, when combined with the Completed Assessment Roll delivered in December, constitute the 1983 Authenticated Assessment Roll. The Decision Roll must be consistent with the Completed Roll and reports assessed values for general municipal purposes in accordance with present legislation and therefore the municipal option chosen in November, 1982. The assessed values required for application of variable rates in 1983 will be reported in detail on the "Data Advice" tapes and on the consolidated copy of the above two rolls which is produced on microfiche. This information will be distributed to all taxing jurisdictions in late March. For those few municipalities which do not have microfiche capability new paper copies of the consolidated assessment rolls will be provided.

It is our intention to work closely with all muncipalities to effect the smoothest possible transition from the recently authenticated rolls to the information you now require to apply variable tax rates. If you should have any questions in regard to any of the above please contact Gail Dunaway (Local 242) or Ann Cooper (Local 243) in this office.

Yours truly,

Brian S. White
Director, Technical Services

BSW/jc

BRITISH COLUMBIA
ASSESSMENT AUTHORITY

MARCH 1983

Variable Tax Rate

(Addendum)

DATA
ADVICE

Variable Tax Rate
(Addendum)

EXPLANATORY NOTES

The Standard and Master formats of the Data Advice program are being modified for reporting General Municipal Assessed Values by Order-in-Council Class. The modifications involve creating new records to report the breakdown of assessed values. Existing records will report the information as in the past.

Any jurisdictions requiring a test tape of the new records should submit a data advice request form to Technical Services as soon as possible. It should be noted on the form as a 'year end test tape' with a tick (✓) by values by OIC Class.

Note: As this is a test tape, the folios it contains and the roll format used may not be pertinent to your jurisdiction.

For the 1983 Authenticated Roll, all taxing jurisdictions that presently receive authenticated B.C. Assessment Authority data advice tapes will automatically receive the new records on their tape. No additional request is necessary.

JURISDICTION DATA ADVICE REQUEST (CAPAS)

	MUNICIPALITY	CONSULTANT/DATA SERVICE (IF TO BE USED AS INTERMEDIARY)	TAX YEAR:
NAME AND ADDRESS:			OFFICE USE ONLY DATE: COSTING ☐
INDIVIDUAL CONTACT:			
POSITION:			SEQ.#
TELEPHONE NO.			WR.#
TAPE TO BE FORWARDED TO: CHECK(✓), OR SPECIFY IF DIFFERENT FROM ABOVE	☐✓	☐✓	

ASSESSMENT AREA ☐☐ JURISDICTION ☐☐☐

TAPE/REPORT

- MONTHLY JURISDICTION ADVICE (TAPE) ☐
- YEAR-END JURISDICTION ADVICE (TAPE) ☐
- CHANGE REPORT (HARDCOPY) ☐ (Y)

TAPE OUTPUT

TO CONTAIN INFORMATION REGARDING:

- OWNERSHIP ☐
- LEGAL AND LOCATION ☐
- ASSESSED VALUES ☐
- ACTUAL VALUES ☐
- SALES ☐
- ASSESSOR USE (WHERE AUTHORIZED) ☐
- MINOR TAXING JURISDICTIONS ☐
- BC TRANSIT ☐
- VALUES BY DIC CLASS ☐

SAVE

- UNREPORTED UPDATE TRANSACTIONS ☐

TAPE CONFIGURATION

RECORD LENGTH:
- 210 BYTE (STANDARD FORMAT) ☐
- 140 BYTE (MASTER FORMAT) ☐

BLOCKING:
- 2100 (STANDARD) ☐
- 7000 (MASTER) ☐
- OTHER ☐

LABELLING:
- STANDARD O/S ☐
- UNLABELED ☐

TAPE DENSITY:
- 800 ☐
- 1600 ☐
- 6250 ☐

ENCODING:
- EBCDIC ☐
- ASCII ☐ (Y)

CHG ALL

PRT

OWN
LGL
ASD
ACT
CNV
USE
MTJ
BCT
DIC

SAV

STD
MST

DSN:

TAPE NO:

COMMENTS

SIGNED: DATE:

FORM 650-1 2.80

ASSESSED VALUES ON DATA ADVICE FOR VARIABLE TAX RATE PURPOSES

On the year end data advice tapes provided to taxing jurisdictions, the values reported on the new records consist of the following:

1. Record Code 0013 - Assessed Values by Order-in-Council (OIC) Class - Municipal Act

   The gross and exempt assessed values for land and improvements are reported for each Order-in-Council Class on the folio.

   This record is present for each folio which has current assessed values - Municipal Act (see Record Code 0008).

   The Order-in-Council Class codes and associated values are in sequential order but when a blank OIC Class code is encountered you may assume that there are no further codes present.

   A table of the Order-in-Council Class numbers and description is attached.

   Order-in-Council Class 01 to 09 are as defined by Regulation under the 'Assessment Act'. Class 04 - Machinery etc. is never encountered as it is not taxable for General Municipal Purposes.

   The area assessor provides each taxing jurisdiction with the appropriate values by OIC Class for all folios containing Class 10, 11 or 12. If this information is not received prior to receiving the tapes please contact your local area assessor.

   Where calc/roll differences are encountered you are requested to contact the area assessor.

2. Record Code 0014 - Assessed Values by Order-in-Council Class - Municipal Act, Extended

   This record is the same as Record Code 0013 and is present when more than three Order-in-Council Class numbers exist on a folio.

   The maximum number of OIC classes which can be present on any one folio is six.

3. Control Total Trailer Record - 0013 & 0014 Record Types

   These records contain the total gross and exempt assessed values for land and improvements for each Order-in-Council Class reported on records 0013 & 0014. The OIC Class codes are positional on this record. Values are zero filled for OIC Classes with no values, in particular, OIC Class 4 - Machinery.

These three additional records are now a part of the regular year-end data advice tape.

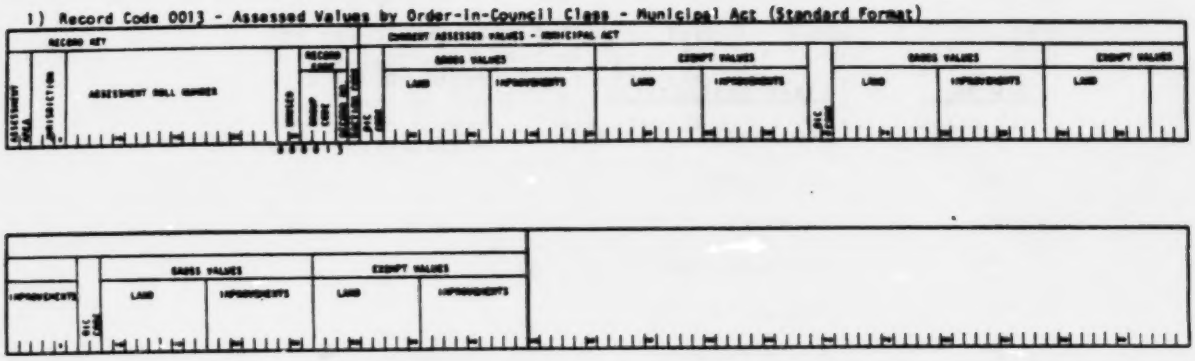
In the new sequence of record layouts in the Data Advice Handbook, the new Record 0013 and 0014 layouts are labeled l) and m). This follows the layout for k) - Record Code 0012 - B C Transit Assessed Values. All remaining record layouts will therefore advance two letters, for example: the former record labeled l) becomes n), etc.

The new Control Total Trailer Record - Number of 0013 & 0014 Record Types and Control Total Trailer Record - Number of 0013 & 0014 Record Types, Extended layouts are labeled s), t), u) and v) for the Standard Format and s), t) and u) for the Master Format. These records are the last records for each jurisdiction.

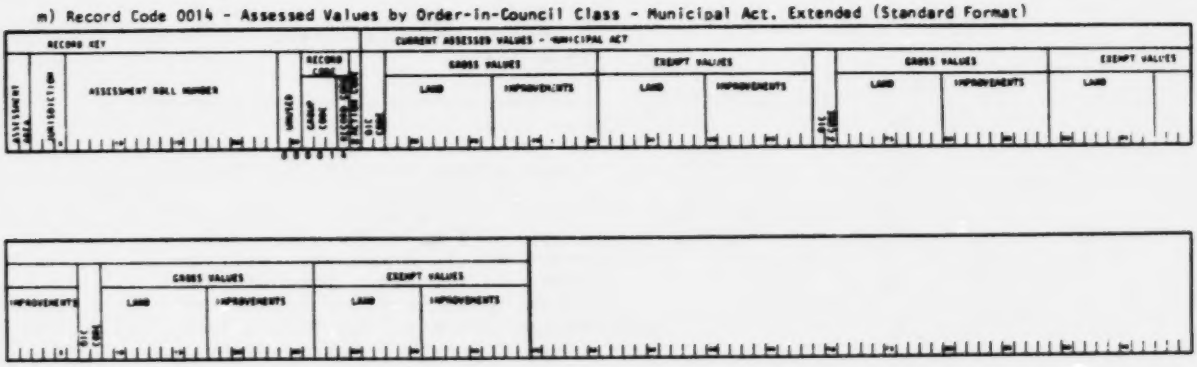
ORDER-IN-COUNCIL CLASS CODE TABLE

OIC No.	Class Description	
01	Residential	
02	Utilities	
03	Forestry	
04	Machinery Etc.	
05	Industrial	
06	Business/Other	
07	Tree Farm Land	
08	Seasonal/Recreational	
09	Farm	
10	Unclassified	- occurs during completed roll processing only (December). Values which cannot be classified and were defaulted to last year's assessed values are reported under this class.
11	Absolutes	- includes values which the assessor has input prohibiting the computer to calculate and determine the OIC Class of the property.
12	Calc/Roll Diff	- occurs during authenticated roll processing only (April). Values which are in error are reported under this class. Some of the error conditions are - assessed values unclassified during the completed roll process and not corrected, assessed values present on a reference folio, newly calculated values are different from values on file as a result of a change in the classification table or where assessed values are calculated but none were on file from the completed roll or court of revision processing.

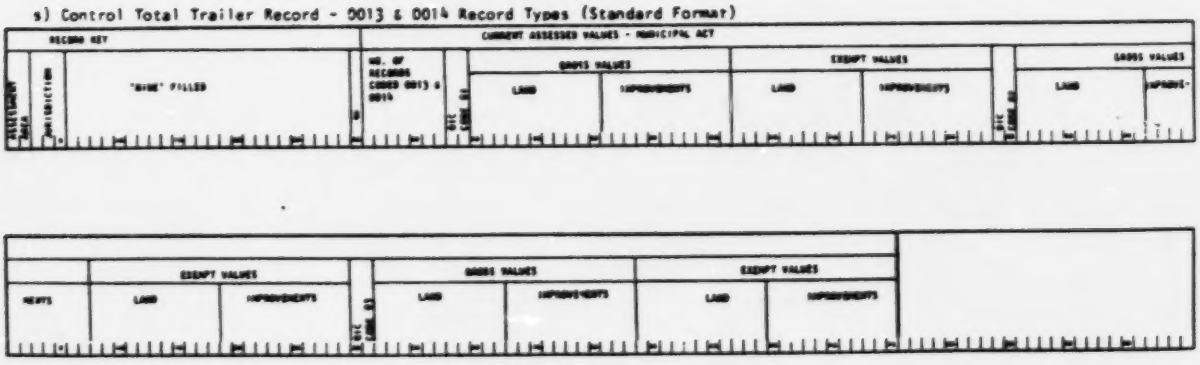
l) Record Code 0013 - Assessed Values by Order-in-Council Class - Municipal Act (Standard Format)



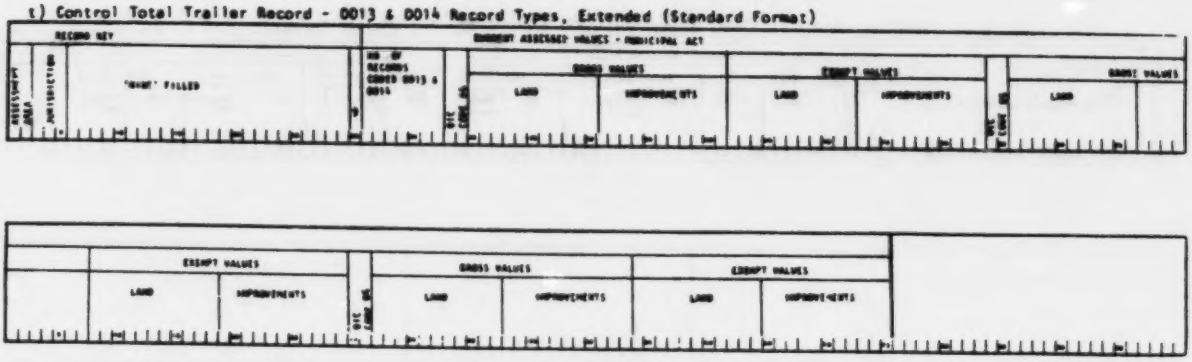
m) Record Code 0014 - Assessed Values by Order-in-Council Class - Municipal Act, Extended (Standard Format)



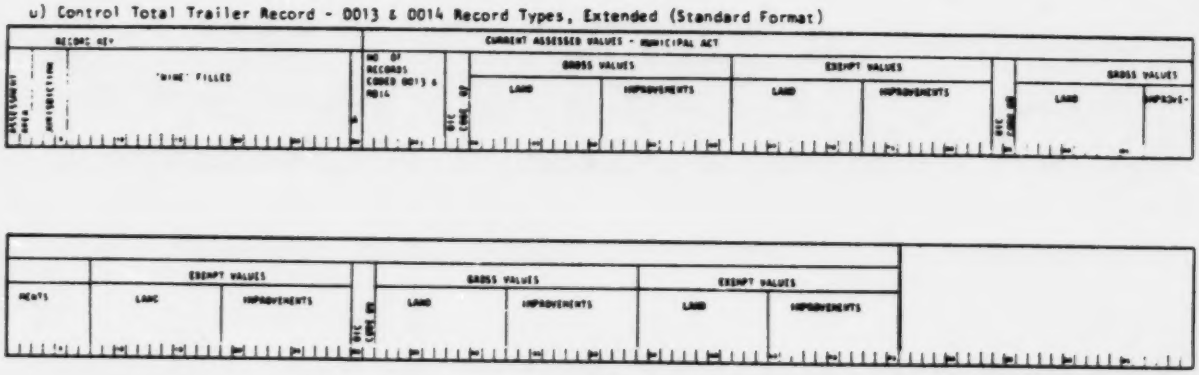
s) Control Total Trailer Record - 0013 & 0014 Record Types (Standard Format)



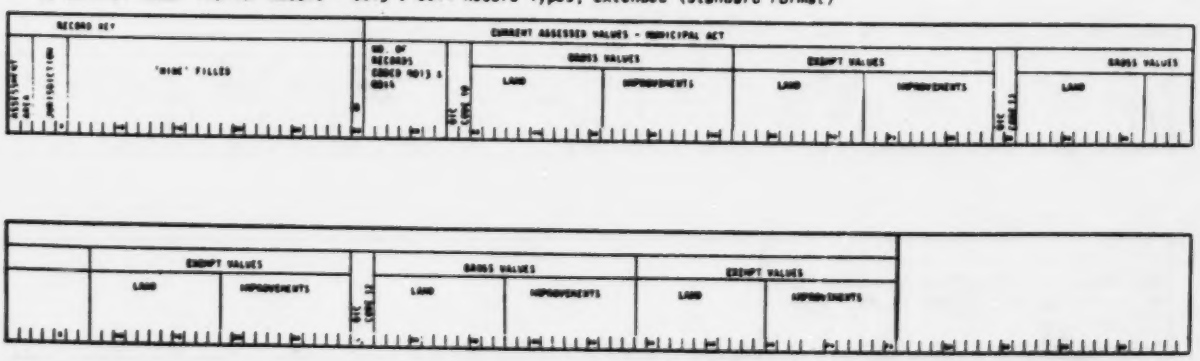
t) Control Total Trailer Record - 0013 & 0014 Record Types, Extended (Standard Format)



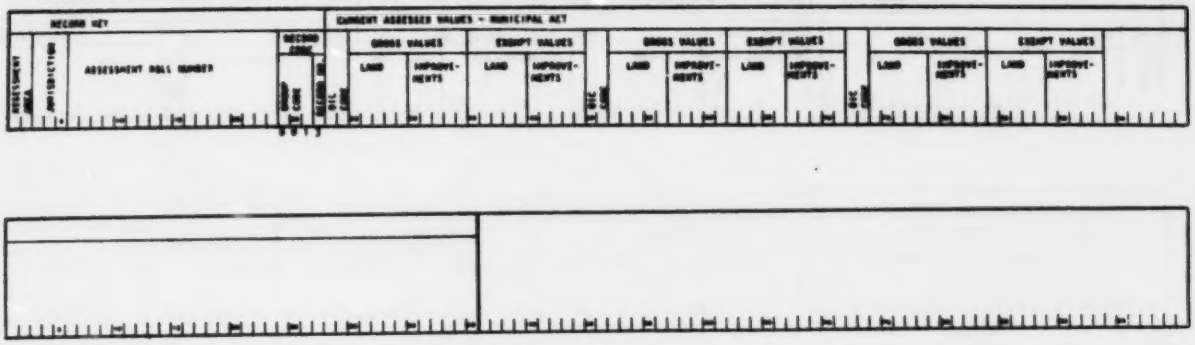
u) Control Total Trailer Record - 0013 & 0014 Record Types, Extended (Standard Format)



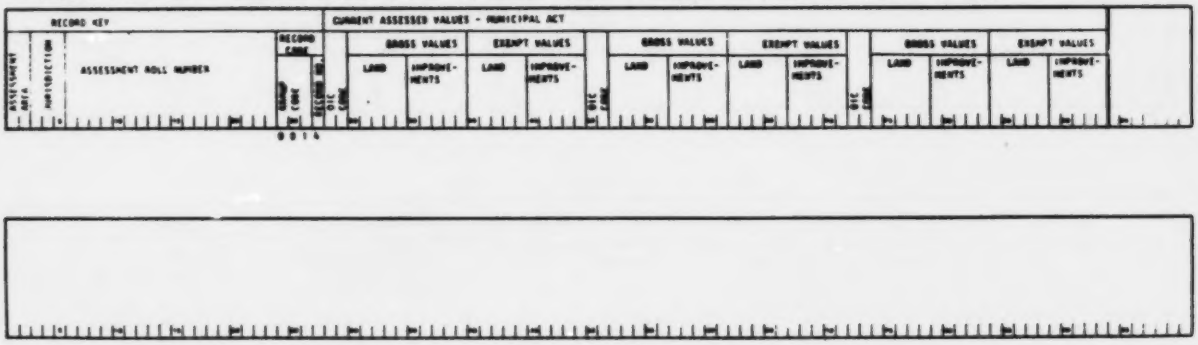
v) Control Total Trailer Record - 0013 & 0014 Record Types, Extended (Standard Format)



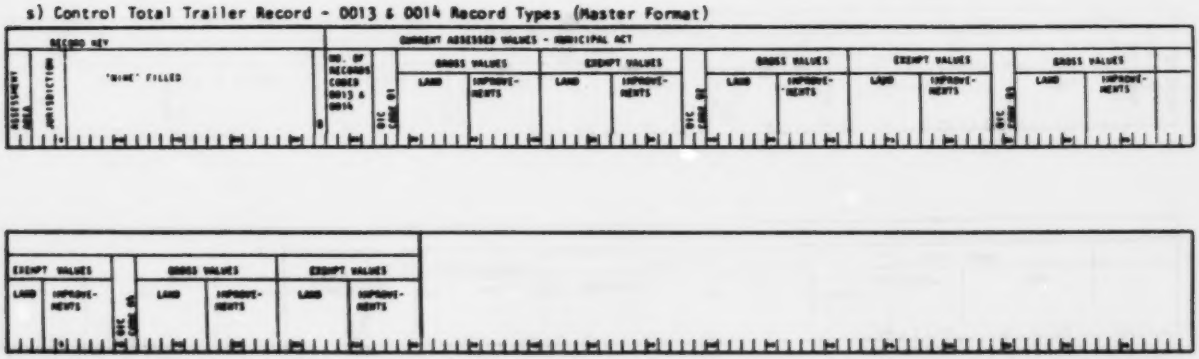
1) Record Code 0013 - Assessed Values by Order-in-Council Class - Municipal Act (Master Format)



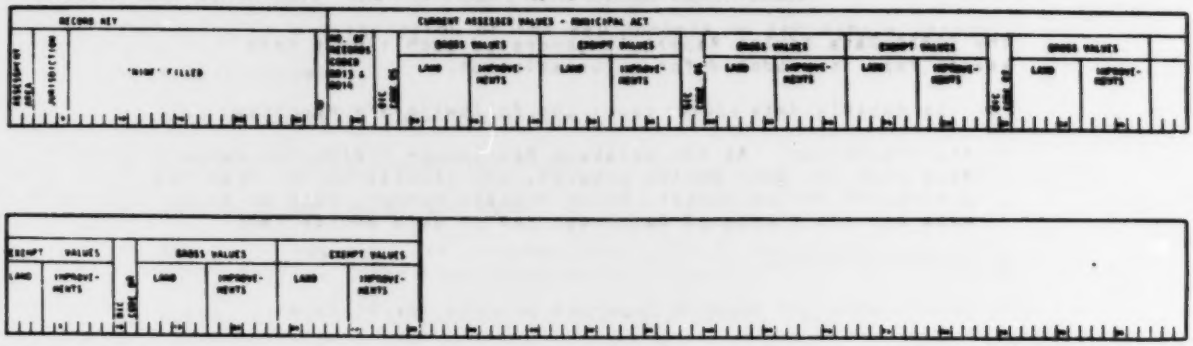
m) Record Code 0014 - Assessed Values by Order-in-Council Class - Municipal Act, Extended (Master Format)



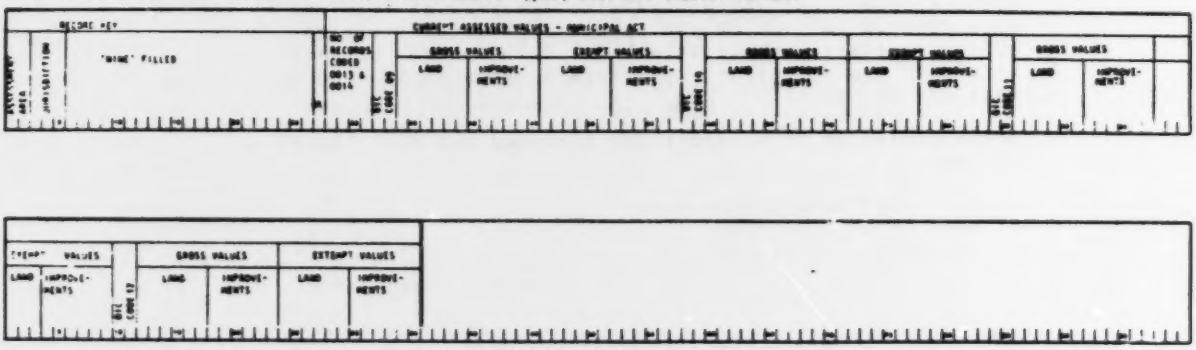
s) Control Total Trailer Record - 0013 & 0014 Record Types (Master Format)



t) Control Total Trailer Record - 0013 & 0014 Record Types, Extended (Master Format)



u) Control Total Trailer Record - 0013 & 0014 Record Types, Extended (Master Format)



DATA ADVICE/RE-CONVERSION AUDIT REPORT

The CAPAS Data Advice Report is generated each time a data advice tape is produced for a jurisdiction.

For the monthly data advice tapes the following are reported:

1. Any truncation. As the database has longer fields for certain data than the data advice program, any truncation is reported giving the folios number, error message number, data on database and the truncated data reported on data advice tape.

2. Number of folios.

3. Total number of records reported on data advice tape.

In addition, only 1 copy of this report is produced for the monthly data advice tapes which is sent to the taxing jurisdiction with the tape.

For the year end data advice tapes the following are reported:

1. Any truncation. As above # 1 for monthly.

2. Any discrepancy in folios between the Capas database and the OIC file (used to produce the data advice tape).

Various counts and values are also reported as required by the Data Control section of the Computer Services Division. A key to the sample report is attached. Data Control balances all totals to the assessment roll totals prior to sending out the data advice tapes.

Three copies of this report are produced and distributed as follows:

a) sent with data advice tape
b) sent to area assessor
c) retained in Data Control

KEY TO SAMPLE

Following is a description of the key numbers on the sample report:

1. Report number.

2. Date data advice tape was produced.

3. Assessment area number and name.

4. Jurisdiction number and name.

5. Any error messages are reported here giving the folio number, error message number and description of error.

6. Number of folios converted for the data advice tape.

7. Record totals a) for records 0006, 0007, 0008, 0012, 0013, and 0014 as shown on the trailer records for each of these record types.

   b) total records on the data advice tape - including the trailer record.

8. Preview Actual Values a) land, improvements and total for tax codes 00 - 49, 50 - 89, and 90 - 99.

   b) total gross and exempt land, improvements and total.

9. School-residential assessed values - gross, exempt and net totals for land and improvements from 0008 records under School Act - current.

10. School-non-residential assessed values - gross, exempt and net totals for land, improvements and machinery from 0008 records under School Act - current.

11. Total school assessed values - gross, exempt and net totals for land, improvements and machinery from trailer record for 0008 record type.

12. B C Transit assessed values - gross, exempt and net totals for land and improvements from trailer record for 0012 record type.

13. General current assessed values - gross, exempt and net totals for land and improvements from trailer record for record 0008 under general - current.

14. Assessed value - totals - sum of land, improvements and machinery (if applicable) for each type of assessed value reported.

15. General values by OIC class - beside each OIC number (a description of which is attached) the net land and net improvements from trailer records for records 0013 and 0014. Each OIC class (01 - 12) is printed; values will be blank for any OIC class(es) not present.

RC486 (1) DATA ADVICE / RE-CONVERSION - AUDIT REPORT (2) 16 FEB 83 PAGE - 1

ROLL YEAR - 1983 (4) JURISDICTION - 311 - TOWNSHIP OF LANGLEY

ASSESSMENT AREA - 15 - LANGLEY-HATZIC-ABBOTSFORD (3)

00000998-AA (5)	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 99,999,999,999 MARK II FIELD = 999,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 99,999,999,999 MARK II FIELD = 999,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 99,999,999,999 MARK II FIELD = 999,999,999
00003050-AA	9365	LAND ACTUAL VALUE TRUNCATED CAPAS FIELD = 12,999,999,999 MARK II FIELD = 999,999,999
	9368	IMPROVEMENT ACTUAL VALUE TRUNCATED CAPAS FIELD = 12,999,999,999 MARK II FIELD = 999,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 3,999,999,999 MARK II FIELD = 99,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 3,999,999,999 MARK II FIELD = 99,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 3,999,999,999 MARK II FIELD = 99,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 3,999,999,999 MARK II FIELD = 99,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 21,999,999,999 MARK II FIELD = 99,999,999
	9368	ASSESSED VALUE TRUNCATED CAPAS FIELD = 21,999,999,999 MARK II FIELD = 99,999,999

RC456 (1) DATA ADVICE / RE-CONVERSION - AUDIT REPORT (2) 16 FEB 83 PAGE = 4

ROLL YEAR = 1983 (3)

ASSESSMENT AREA = 15 - LANGLEY-MATSQUI-ABBOTSFORD (4) JURISDICTION = 311 - TOWNSHIP OF LANGLEY

(6) NUMBER OF FOLIOS = 88

(7) RECORD TOTALS

6 . 7	84
8 . 9	6
10 . 11	0
13 . 14	84
TOTAL	884

PREVIEW ACTUAL VALUES

TAX CODE	(8) LAND	IMPR	TOTAL
00 = 49	12,903,791,489	23,629,388,344	36,133,119,833
50 = 84	810,189	2,888,344	2,698,533
85	850	286,801	287,651
88	12,584,288,438	23,631,484,484	36,136,894,126
EX	810,488	2,962,781	3,871,181

ASSESSED VALUES

		LAND	IMPR	MACH	(14) TOTAL
(9) SCHOOL- RESIDENTIAL	GR	100,000,128,814	82,844		100,000,203,658
	EX	83,264	1,685		84,949
	NET	100,000,067,550	81,159		100,000,148,709
(10) SCHOOL- NON-RESIDENTIAL	GR	183,063,242,755	106,956,853,305	100,000,684,379	310,020,780,439
	EX	188,048	849,896	32,794	931,038
	NET	183,063,092,710	106,956,304,471	100,000,651,583	310,020,048,764
(11) SCHOOL- TOTAL	GR	283,063,343,569	106,956,936,149	100,000,684,379	410,020,964,287
	EX	283,336	851,774	32,794	786,884
	NET	283,063,160,268	106,956,385,638	100,000,651,583	410,020,197,473
(12) BC TRANSIT	GR	0	0		0
	EX	0	0		0
	NET	0	0		0
(13) GENERAL CURRENT	GR	283,063,364,320	109,956,936,845		310,020,301,171
	EX	156,088	3,893,338,941		3,893,474,996
	NET	283,063,228,271	103,063,598,304		306,126,826,575

GENERAL VALUES BY GIC CLASS

GIC	(15) NET LAND	NET IMPR
01	1,283,150	883,340
02	48,300	128,300
03	0	0
04	0	0
05	888,888	1,882,488
06	712,201	1,377,498
07	0	0
08	76,980	2,758
09	388,948	0
10	0	0
11	199,999,999,998	188,888,881,418
12	3,862,873,388	3,862,897,487

Manual Tax Billing

The following instructions are for municipalities that do not receive authenticated roll information on Data Advice Tapes.

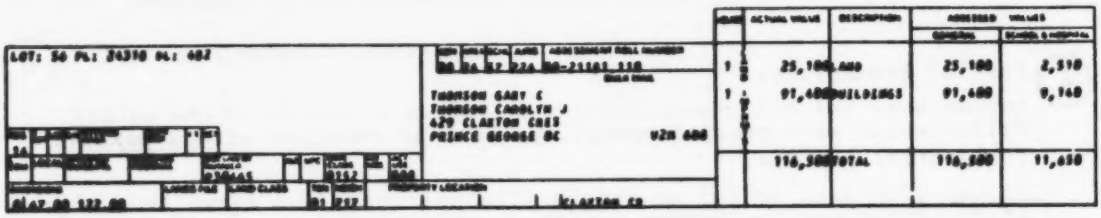
The B.C. Assessment Authority is providing these municipalities with a copy of the Authenticated Roll on 1-part paper. This roll is different from the rolls certified by the Assessor and the Court of Revision with respect to assessed values taxable for general municipal purposes. The values reported under this heading are now the same as the actual values.

The Order-in-Council Class number is shown on the roll next to the actual value. A table describing each of the class numbers is attached.

Sample roll entries and explanations of determining the taxable values by Order-in-Council Class follow:

(1) Single Class Roll Entries:

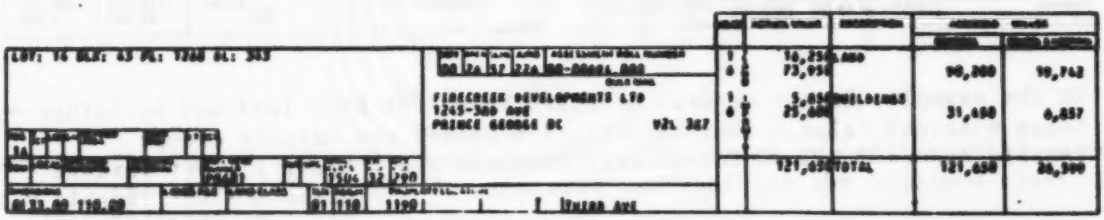
For folios containing only one OIC Class number for land and buildings the entire value shown under the general assessed values falls within that class.



Taxable Assessed Values for General Purposes are: Class 1 = $116,500

(2) Multi Class Roll Entries:

Where more than one OIC Class number is given, the values shown beside each class, under actual value should be used to determine the taxable value by OIC Class. The only exceptions are when exemptions are reported under the general assessed values.

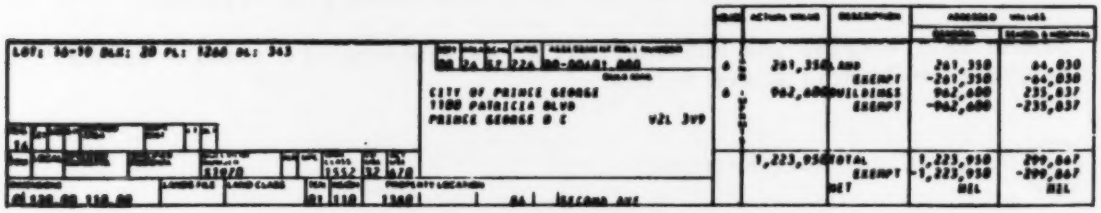


Taxable Assessed Values for General Purposes are: Class 1 = $22,100
Class 6 = $99,500

The following samples outline how to determine taxable values for each OIC Class when exemptions are encountered.

(3) Full Exemptions:

Folios which are totally exempt from taxation (i.e. federally owned, provincially owned). If the net general assessed value is NIL no action is required.



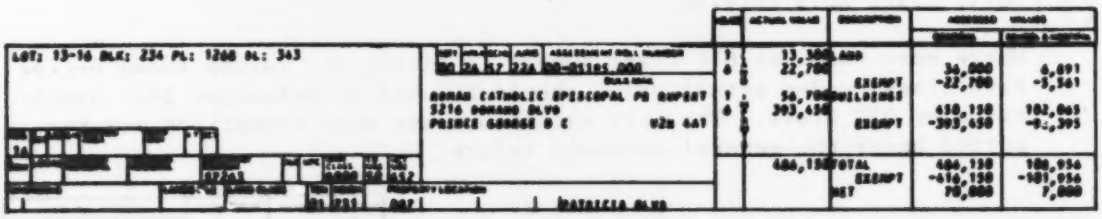
Taxable Assessed Values for General Purposes are: Class 6 - Net Taxable = NIL
- Exempt = $1,223,950

(4) Partial Exemptions:

Folios which have partial exemptions such as churches with a taxable residential portion.

If for any class the exempt general assessed value equals the actual value for land or buildings then a full exemption for that component is indicated.

If the folio contains two or more classes, one of which is totally exempt, the exemption amount will be equal to the actual value for one of the OIC Classes shown. The other OIC Class value will be the taxable portion.

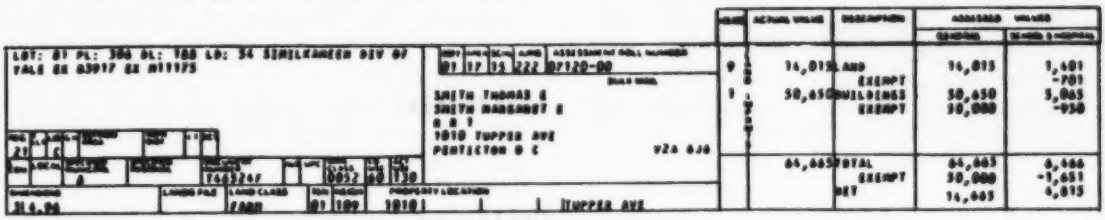


In the example, Exempt General Assessed Value for both land and buildings = Class 6 Actual Value. Therefore Class 6 values are totally exempt.
Taxable Assessed Values for General Purposes are: Class 1 - Net Taxable = $70,000
Class 6 - Net Taxable = NIL
Class 6 - Exempt = $416,150

(5) **Farms:**

Folios which have farm outbuildings receiving an assessed value exemption up to $50,000.

In these cases the net general assessed value for buildings will always be OIC Class 1.



Taxable Assessed Value for General Purposes are:

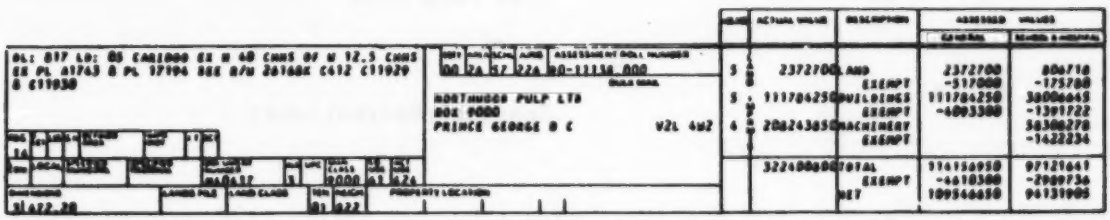
Class 1 - Net Taxable = $650 (50,650 - 50,000)
Class 1 - Exempt = $50,000
Class 9 - Net Taxable = $14,015

*Note: The farm improvement exemption of $5000 for general purposes has been increased to its actual value equivalent of $50,000.

(6) Pollution Control Exemptions:

Folios which receive a pollution control exemption for land and/or buildings.

In most cases the exemption will appear on folios with only one OIC Class. If more than one class is shown for land or buildings with exemptions, contact the area assessor for a class breakdown.



NOTE: Should you encounter a folio with no OIC Class or 'ABS' printed under the class, please contact the area assessor for the required class information.

OIC Class No.	Class Description
Blank or ABS	Contact appropriate Area Assessor
01	Residential
02	Utilities
03	Forestry
04	Machinery Etc. - N/A
05	Industrial
06	Business/Other
07	Tree Farm Land
08	Seasonal/Recreational
09	Farm

Appendix Two: Definitions of Prescribed Classes of Property

DEFINITIONS OF PRESCRIBED CLASSES OF PROPERTY

Class 1 - residential

1. Class 1 property shall include only:

(a) land or improvements, or both, used for residential purposes, including single family residences, duplexes, multi-family residences, apartments, condominiums, mobile homes, nursing homes, rest homes, summer and seasonal dwellings, bunkhouses, cookhouses and ancillary improvements compatible with and used in conjunction with any of the above, but not including hotels or motels other than the portion of the hotel and motel building occupied by the owner as his residence;

(b) improvements on land classified as a farm and used in connection with the farm operation, including the farm residence and outbuildings;

(c) land having no present use and which is neither specifically zoned nor held for business, commercial, forestry or industrial purposes.

Class 2 - utilities

2. Class 2 property shall include only land or improvements, or both, used or held for the purposes of, or for purposes ancillary to, the business of

(a) transportation by railway,

(b) transportation, transmission or distribution by pipeline,

(c) communication by telegraph or telephone, including transmission of messages by means of electric currents or signals for compensation,

(d) generation, transmission or distribution of electricity, or

(e) receiving, transmission and distribution of closed circuit television;

but does not include that part of land or improvements or both

(f) included in Classes 1, 4 or 8,

(g) used as an office, retail sales outlet, administration building or purpose ancillary thereto, or

(h) used for a purpose other than a purpose defined in paragraphs (a) to (e) of this class.

Class 3 - forestry

3. Class 3 property shall include only land classified as timber land, forest land or wild land used for forestry purposes.

Class 4 - machinery and equipment

4. Class 4 property shall include only any of the improvements included in the definition of improvements as defined for purposes other

than for general municipal and Provincial taxation purposes under the Municipal Act, Vancouver Charter and Taxation (Rural Area) Act, and not included in the definition of improvements as defined for general municipal and Provincial taxation purposes under the Municipal Act, Vancouver Charter and Taxation (Rural Area) Act.

Class 5 - industrial

5. Class 5 property shall include only land or improvements, or both, used or held for the purpose of extracting, processing, manufacturing, transporting or storing of any products, and without limiting the generality of the foregoing includes land or improvements, or both, used or held for the purpose of

(a) pulp and paper mills, sawmills, plywood mills, shinglemills and other industrial operations used in processing, storing or manufacturing forest products or in the growing or harvesting of forest crops other than land in Classes 3 and 7,
(b) the extraction, transportation, refining and storage of petroleum and natural gas,
(c) mining and other extractive industries, including milling, smelting, refining and storage,
(d) primary metal industries, including iron and steel mills, pipe mills, foundries, metal rolling and casting and extruding,
(e) the manufacture, synthesis or refining of chemicals and chemical products,
(f) the distilling, brewing or making and storage of alcoholic beverages,
(g) the manufacture and storage of cement, concrete, bricks and similar products,
(h) deep sea shipping facilities and docks,
(i) ship and boat building and repair,
(j) grain elevators,
(k) the manufacture of rubber, plastic and leather products,
(l) textile and knitting mills, or
(m) the manufacture of glass and glass products;

but not including those lands or improvements, or both,

(n) included in Classes 2 and 4,
(o) used principally as an outlet for the sale of a finished product to a purchaser for purposes of his own consumption or use and not for resale in either the form in which it was purchased or in any other form,
(p) used for processing, manufacturing or storage of food or non-alcoholic beverages.
(q) used or held for storage other than those used or held for a purpose ancillary to or in conjunction with land or improvements or both used or held for
    (i) the purpose of extracting, processing, manufacturing or transporting of any products, or
    (ii) the purpose referred to in paragraph (h), (i) or (j), or
(r) used primarily for the temporary storage of household effects in transit where a service fee or service charge is imposed for the storage.

Class 6 - business and other

6. Class 6 property shall include all land and improvements not included in Classes 1 to 5 and 7 to 9.

Class 7 - tree farm

7. Class 7 property shall include only land classified as tree farm land.

Class 8 - seasonal resort, recreational property and fraternal organization

8. Class 8 property shall include only:

(a) that part of any land or improvements, or both, used to provide overnight sleeping accomodation, including hotels, motels, trailer parks, recreational vehicle parks, campgrounds and resorts where, during an offseason period of 150 days a year or more,

(i) the accomodation is closed, or

(ii) at least 1/2 of the gross rental income from the accomodation is derived from rent paid by tenants residing in the accomodation for periods comprising 28 consecutive days or more;

(b) land used as an outdoor recreational facility for one or more of the following activities:

(i) golf;

(ii) skiing;

(iii) tennis;

(iv) ball games of any kind;

(v) lawn bowling;

(c) that part of any land and improvements used or set aside for use as a meeting hall for a nonprofit fraternal organization of persons of either or both sexes, together with the facilities necessarily incidental to that use, for at least 150 days in the year ending on September 30, of the calendar year preceding the calendar year for which the assessment roll is being prepared, not counting any day in which the land and improvements so used or set aside are also used for

(i) any purpose by a person or organization that is not a nonprofit fraternal organization,

(ii) entertainment where there is an admission charge, or

(iii) the sale or consumption, or both, of alcoholic beverages.

Class 9 - farm

9. Class 9 property shall include only land classified as farm land.

Appendix Three: Sample Annual Tax Rates Bylaw Using Variable Tax Rates

[Corporate Name of Municipality]

BY-LAW NO. _____

Being a by-law for the levying of rates for Municipal, Hospital, Improvement District and Regional District purposes for the year 19__.

The Council of [Corporate Name of Municipality], in open meeting assembled, enacts as follows:

1. The following rates are hereby imposed and levied for the year 19__:

   (a) For all lawful general purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "A" of the Schedule attached hereto and forming a part hereof.

   (b) For debt purposes on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "B" of the Schedule attached hereto and forming a part hereof.

   (c) For hospital purposes on the assessed value of land and improvements taxable for regional hospital district purposes, [$_____] per $1000 taxable value.

As Appropriate

   (d) For purposes of the [Corporate Name of Improvement District] on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "C" of the Schedule attached hereto and forming a part hereof.

   - AND/OR -

   (d) For purposes of the [Corporate Name of Improvement District] on the assessed value of land and improvements taxable for regional hospital district purposes, [$____] per $1000 taxable value.

As Appropriate

(e) For purposes of the [Corporate Name of Regional District] on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "D" of the Schedule attached hereto and forming a part hereof.

- AND/OR -

(e) For purposes of the [Corporate Name of Regional District] on the assessed value of land and improvements taxable for regional hospital district purposes, [$_____] per $1000 taxable value.

2. The minimum amount of taxation upon a parcel of real property shall be One Dollar ($1.00).

3. This by-law may be cited as "Tax Rates By-law No. _____, 19___".

READ a first time this _____ day of_____, 19___.

READ a second time this _____ day of_____, 19___.

READ a third time this _____ day of_____, 19___.

RECONSIDERED and FINALLY PASSED and ADOPTED this _____ day of_____, 19___.

_____ _____

Mayor Clerk

Certified a true copy of
By-law No. _____, as adopted.

_____

Clerk

SCHEDULE

Property Class	Tax Rates (dollars of tax per $1000 taxable value)			
	A General Municipal	B Debt	C (If necessary)	D (If necessary)
1. Residential	$	$	$	$
2. Utility				
3. Forestry				
5. Industrial				
6. Business				
7. Tree farm				
8. Seasonal				
9. Farm				